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NEWS RELEASE

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Broker-Dealer Failed to Supervise Employee, Will Pay \$100,000 Fine ***Firm ignored warning signs of broker misconduct . . .***

SALT LAKE CITY, Utah – The Utah Securities Advisory Board entered an Order today against Raymond James Financial Services, Inc., of St. Petersburg, Florida imposing a fine of \$100,000 for the firm's failure to adequately supervise one of its securities agents in Utah.

The Order alleges that Karon Cook, one of the securities agents employed by the firm, sold unregistered securities without the approval of her broker dealer, brokered loans for clients, borrowed money from a client, held herself out as an investment adviser when she was not licensed, and served as a trustee for client accounts – all without disclosing those activities to the firm or obtaining prior approval. Cook also filed false documents with the Division. Raymond James consented to the Order without admitting or denying violations.

Cook persuaded one of her RJFS clients to make five loans to other customers of Cook. She falsely stated that these loans all were secured by real estate. Some of these transactions were run through other entities controlled by Cook: Financial Resource Group and Cook & Associates. In at least one instance, Cook herself improperly borrowed money from a client. She also improperly took control of some aspects of a trust account of a client, taking compensation from the trust, paying expenses from the trust, and sending money from the trust to a brokerage account at a different broker-dealer. On compliance forms sent to RJFS, Cook denied engaging in outside business activities or selling promissory notes. In fact, Cook was involved in at least seven outside business ventures. Cook also admitted to the Division that her licensing records failed to disclose a 1991 bankruptcy and that her business cards falsely claimed she was a registered investment adviser.

The Division of Securities initiated proceedings against Raymond James and Cook in September 2005. The Division alleged that the firm, which has 20 branch offices in Utah, failed to conduct adequate supervision of Cook. The firm failed to conduct regular audits of Cook's office, ignored red flags alerting the firm to her conduct, and filed forms with the state that misrepresented Cook's outside business activities.

On September 1, Cook agreed to pay \$100,000 in fines to the Utah Division of Securities and be barred from ever being licensed again in the securities business. As a result of today's Order, Raymond James paid a \$100,000 fine and substantially revised its supervisory and compliance system. This action is now concluded against all parties.